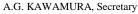
## DEPARTMENT OF FOOD AND AGRICULTURE

1220 N Street

Sacramento, CA 95814 Phone: (916) 341-5988 Fax: (916) 341-6697

E-mail: dairy@cdfa.ca.gov

December 1, 2004





## RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASSES 2, 3, 4a and 4b MARKET MILK

## TO ALL INTERESTED PARTIES:

On the reverse side of this page are the minimum prices for Classes 2, 3, 4a and 4b market milk for November 2004, December 2004 and January 2005. All prices are f.o.b. milk processing plant. As provided in the Stabilization and Marketing Plans for Market Milk (Plans), milk handlers shall pay producers the minimum prices for market milk components sold or used for all Classes 2, 3, 4a and 4b purposes as specified on the reverse side of this page.

If market milk components are purchased f.o.b. producer's dairy location, haul deductions may be made as provided in the Plans.

Equivalent hundredweight prices shown in the right-hand column are based upon milk that is 3.5% fat and 8.7% solids-not-fat (SNF). These classified minimum prices that processors must pay for milk received from producers are calculated based upon mathematical formulas. The formulas are established and amended as needed through a public hearing process. These formulas include commercial prices for manufactured dairy products (butter, Cheddar cheese and nonfat dry milk). These commercial prices are also listed on the reverse side of this page.

This price information is also available on a recorded message. Please call (800) 503-3490 to hear the recording. If you are calling from Sacramento, or from outside of California, please call (916) 442-MILK. You can also access this information over the Internet on the Department's Homepage. The address is <a href="http://www.cdfa.ca.gov/dairy">http://www.cdfa.ca.gov/dairy</a>. From the Homepage, select the [Dairy Prices] link and then the [Minimum Class Price Letters] link. Once there, be sure to make a bookmark for future reference.

For more information, please contact us at the phone numbers or e-mail address above.

Sincerely,

Candace Gates, Acting Chief

Candare Sates

Dairy Marketing Branch

## MINIMUM PRICES FOR CLASSES 2, 3, 4a & 4b MARKET MILK F.O.B. PROCESSING PLANT

Released: December 1, 2004

CLASS 2: For December 2004 and January 2005	LB. FAT	LB. SNF	EQUIVALENT PER CWT.
Northern California	\$1.9711	\$0.7649	\$13.55
Southern California	\$1.9734	\$0.7907	\$13.79
CLASS 3:			EQUIVALENT
For December 2004 and January 2005	LB. FAT	LB. SNF	PER CWT.
Northern California	\$1.9711	\$0.7592	\$13.50
Southern California	\$1.9734	\$0.7592	\$13.51
CLASS 4a:			EQUIVALENT
November 2004	LB. FAT	LB. SNF	PER CWT.
Statewide	\$2.0287	\$0.6978	\$13.17
CLASS 4b:			EQUIVALENT
November 2004	LB. FAT	LB. SNF	PER CWT.
Statewide	\$2.0287	\$0.9246	\$15.14
COMMODITY MARKET PRICES:			\$ PER LB.
Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (October 26th - November 25th)			\$1.8558
Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (October 26th - November 25th)			\$1.6613
California Extra Grade & Grade A Nonfat Dry Milk - Monthly Weighted Average (October 26th - November 25th)			\$0.8478
Western Dry Whey (Mostly) - Monthly Simple Average (October 26th - November 25th)			\$0.2410
	•	A Zour November Zoury	ψ0.2410
FEDERAL SUPPORT PURCHASE PRI	CES:		<b></b>
Bulk Butter:			\$1.0500
40 Pound Block Cheddar Cheese:			\$1.1314
Nonfat Dry Milk:			\$0.8000
VALUE OF COMMODITY PRICES USE	D IN FORMULA	S:	
Bulk Butter:			\$1.8558
40 Pound Block Cheddar Cheese:			\$1.6613
Nonfat Dry Milk:			\$0.8478
January 2005 Class 1 price will be appe	unand na latar th	on 4:00 n m. on Docombor 10, 2004	

January 2005 Class 1 price will be announced no later than 4:00 p.m. on December 10, 2004. February and March 2005 Class 2 and 3 prices will be announced no later than 4:00 p.m. on February 1, 2004. December 2004 Class 4a and 4b prices will be announced no later than 4:00 p.m. on January 3, 2005.

Note: The formulas, as of April 1, 2003, compare the calculated prices from the Chicago Mercantile Exchange (for butter and Cheddar cheese) or California weighted average price (for nonfat powder) to the federal support purchase prices for the three products. The higher value is selected for use in the pricing formulas.